

Press Release



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AMERICAN RECOVERY AND REINVESTMENT ACT TAX CREDIT TO BENEFIT MARYLAND ENERGY MANUFACTURERS

BALTIMORE, MD (September 10, 2009) – Governor Martin O’Malley today announced that Maryland manufacturers – and manufacturers relocating to Maryland – would be eligible for federal tax credits under the new Advanced Energy Manufacturing Tax Credit Program authorized by the American Recovery and Reinvestment Act of 2009 (ARRA). The U.S. Department of Energy and the U.S. Department of the Treasury are partnering in the program, which will award \$2.3 billion in tax credits for manufacturers that produce clean energy equipment.

“Maryland is leading the charge for a sustainable future. The long-term positive impact on our environment is easy to see, but the economic impact is equally significant,” said Governor O’Malley. “The Advanced Energy Manufacturing Tax Credit Program and similar initiatives help to stimulate Maryland’s economy, improve the competitiveness of Maryland businesses, attract green businesses to the State, and create family-supporting jobs for Marylanders.”

“Maryland’s forward-looking energy policies, highly-educated workforce and outstanding quality of life make Maryland an attractive location for alternative and renewable energy companies,” said Christian S. Johansson, Secretary of the Department of Business and Economic Development. “Coupled with the State’s tax credit programs and other initiatives, the Advanced Energy Manufacturing Tax Credit Program promotes clean energy as well as business success in Maryland.”

The O’Malley-Brown Administration’s commitment to Smart, Green and Growing initiatives has positioned Maryland as a leader in clean energy. The O’Malley-Brown Administration has set a goal of reducing energy consumption 15 percent by 2015, through measures such as raising the State’s renewable portfolio standard and initiating the country’s first cap-and-trade auction of greenhouse gases. In addition to creating incentives to help homeowners and businesses utilize green energy, the O’Malley-Brown Administration has passed both the Maryland Clean Cars Act, adopting California’s stricter vehicle emission standards to significantly reduce emissions, and the Greenhouse Gas Reduction Act, committing the State to reduce greenhouse gases 25 percent by 2020. In February, Governor O’Malley announced a plan to create 100,000 “green collar” jobs by 2015. As part of that plan, the Governor announced the launch of the region’s first Clean Energy Center, to be located in Montgomery County, to support clean energy businesses, create green jobs and improve and protect the environment.

The Advanced Energy Manufacturing Tax Credit Program – part of an innovative partnership between the Department of the Treasury and the Department of Energy to promote energy production and energy independence – provides developers with an investment tax credit of 30 percent for facilities that manufacture certain types of energy equipment. Up to \$2.3 billion in manufacturing tax credits will be allocated for advanced energy projects, which will support total capital investments of

almost \$7.7 billion in new renewable and advanced energy manufacturing projects. Manufacturers eligible for the Advanced Energy Manufacturing Tax Credit include those producing:

- Technologies that create energy from sun, wind, geothermal, and other renewable resources;
- Fuel cells, microturbines or other energy storage systems used in electric vehicles;
- Advanced transmission technologies that support renewable generation;
- Renewable fuel refining or blending technologies;
- Energy conservation technologies;
- Plug-in electric vehicles and vehicle components
- Property to capture and sequester carbon dioxide; and
- Other property designed to reduce greenhouse gas emissions.

The new federal tax credit program is an attractive complement to Maryland's existing tax credit programs – the Job Creation Tax Credit, the One Maryland and Enterprise Zone programs – that help manufacturers relocate to or expand in Maryland. Companies may qualify for both federal and state tax credit programs.

For additional information on the Advanced Energy Manufacturing Tax Credit, visit www.energy.gov/recovery/48C.htm. For more information on Maryland's tax credit and other programs to assist manufacturers, visit www.choosemaryland.org. For information on Maryland's "Smart, Green and Growing" initiatives, visit www.green.maryland.gov.

About DBED:

The Maryland Department of Business and Economic Development stimulates private investment and creates jobs by attracting new businesses, encouraging the expansion and retention of existing companies, and providing workforce training and financial assistance to Maryland companies. The Department promotes the State's many economic advantages and markets local products and services at home and abroad to spur economic development and international investment, trade and tourism. Because they are major economic generators, the Department also supports the Arts, film production, sports and other special events. For more information, visit www.choosemaryland.org